

REPORT OF THE VALUER

TO THE BOARD OF DIRECTORS HYSAN DEVELOPMENT COMPANY LIMITED

Dear Sirs,

Annual revaluation of investment properties as at 31 December 2003

In accordance with your appointment of Knight Frank to value the investment properties in Hong Kong owned by Hysan Development Company Limited and its subsidiaries, we are pleased to advise that the open market value of the properties as at 31 December 2003 was in the approximate sum of Hong Kong Dollars Twenty Four Billion Three Hundred Sixty Six Million Seven Hundred and Eighty Thousand Only (i.e. HK\$24,366,780,000).

We valued the properties on an open market value basis by capitalising the net income as provided to us with due allowance for outgoings and provisions for reversionary income potential. However, no allowance has been made in our valuation for any expenses or taxation which may be incurred in effecting a sale.

Yours faithfully,
KNIGHT FRANK
Hong Kong, 28 February 2004